

HOUSE No. 2464

By Ms. Kaprielian of Watertown, petition of Rachel Kaprielian and others that the advertising of tobacco products be prohibited as business tax deductions. Revenue.

The Commonwealth of Massachusetts

PETITION OF:

Rachel Kaprielian	Kathi-Anne Reinstein
David Paul Linsky	Benjamin Swan
John W. Scibak	Cory Atkins
Patricia D. Jehlen	Martha M. Walz
Louis L. Kafka	Barbara A. L'Italien
Mary E. Grant	Jennifer M. Callahan
J. James Marzilli, Jr.	Steven M. Walsh
Paul J. Donato	Peter J. Koutoujian
Brian Knuuttila	

In the Year Two Thousand and Five.

AN ACT PROVIDING THAT TOBACCO ADVERTISING NOT BE ALLOWED AS A BUSINESS TAX DEDUCTION.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Chapter 62 of the General Laws is hereby
2 amended by inserting after section 3 the following section:—
3 Section 3A. In determining profit or loss for a business or part-
4 nership, no deduction shall be allowed for any expenses paid or
5 incurred by the taxpayer to advertise the sale, use, or other con-
6 sumption of cigarettes or any other products containing tobacco.
7 For purposes of this section, “advertise” includes the use of a
8 newspaper, magazine or other publication, book, notice, circular,
9 pamphlet, letter, handbill, tip sheet, poster, bill, sign, placard,
10 card, label, tag, window display, store sign, or any other means or
11 methods now or hereafter employed to sell or promote cigarettes
12 or any other products containing tobacco.

13 For purposes of this section, advertising includes all cigarette
14 and tobacco product advertising done by tobacco manufacturers,
15 distributors, and retailers.

16 In cases where the advertising space is shared by several prod-
17 ucts, including cigarettes or any other products containing
18 tobacco, the tobacco portion of the advertisement shall be prorated
19 for disallowance of the deduction.

20 This section shall not apply to advertising aimed at discour-
21 aging smoking or the use of cigarettes or any other products con-
22 taining tobacco.

1 SECTION 2. Chapter 63 of the General Laws is hereby
2 amended by inserting after section 38P the following section:—

3 Section 38Q. In determining the net income subject to taxation
4 under this chapter, a domestic or foreign corporation shall not be
5 allowed a deduction for any expenses paid or incurred by the tax-
6 payer to advertise the sale, use or other consumption of cigarettes
7 or any other products containing tobacco.

8 For purposes of this section, “advertise” includes the use of a
9 newspaper, magazine or other publication, book, notice, circular,
10 pamphlet, letter, handbill, tip sheet, poster, bill sign, placard, card,
11 label, tag, window display, store sign, or any other means or
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